

Chief, Analysis Division

13 October 1959

Chief, Economic Research Area

Comments on Project 14.2345, "A Review of the Soviet Industrial Reorganization, 1957-59"

1. I have <sup>25X1A9a</sup>completed reading the subject draft report, prepared by [REDACTED] In my view, this report breaks sharply into two parts:

a. Descriptive, consisting of Part II, "Flow of Events," and Part III, "The Territorial Administration of Industry and How It Works." This is the bulk of the paper, covering pages 10 through 61.

b. Analytical, consisting of Part IV, "Economic Appraisal of the Reorganization," pages 62 through 84. In this section, the author attempts to present the significance of his findings.

2. The descriptive parts, I think, are useful, although their value is diminished by the author's addiction to turgid prose.

3. The analytical part is incredibly bad. The conclusions, as I understand them, are stated on page 70 in the following terms:

"In sum, then, widespread disruption to current production activity in the transition to territorial administration is not implied by the available data..... The pattern of relative inputs suggests the tentative and qualified view that the reorganization has been accompanied an improvement of the linkages between enterprises and regions in such a way as to imply the possibility that Soviet economic efficiency has been enhanced by the reorganization." (Underlining - mine to supply emphasis.)

4. This conclusion is so imprecise as to be of no value, in my judgement. It is a conclusion which could easily have been made on the first day the research project started. I

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find it difficult to believe that the many months put in by  
Mr. [REDACTED] on this research project could not reasonably  
be expected to produce far more meaningful insights.

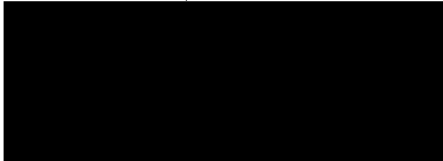
5. I recommend the project not be published.

25X1A9a [REDACTED]

2430 E Street, N.W.  
Washington 25, D.C.

October 12, 1959

25X1A5a



Dear Howard:

Thank you for your cordial response to my note concerning my visit to Seattle. I am sorry that my schedule perforce will be very tight and that I will be unable to participate in the festivities on Thursday, October 22. As you rightly guessed, my schedule is rigorously drawn, and it will be necessary for me and my co-worker on this trip to leave Seattle Wednesday afternoon. So actually I will be in Seattle only two nights, the 19th and 20th. I recognize that this leaves you with very little room for maneuver, and I do not want you to feel that I am expecting any ambitious celebration; if dinner is in any way inconvenient perhaps we could get together for lunch or even a long coffee break sometime during the day. The important thing is to see you and catch up on all the news and renew old friendships.

I will call you when I arrive and am optimistic we can work something out then. Best wishes to you and Frances.

Sincerely,

25X1A9a



RSM:jr